

AFTER RECORDING
HOLD FOR
CHARTER TITLE COMPANY
OF 9-1030101
Closes: 9/1

CHARTER TITLE COMPANY

01/30/98 100364633 0123951

041.00

EASEMENT AND RESTRICTION AGREEMENT

516-71-3380

5839061

THIS EASEMENT AND RESTRICTION AGREEMENT ("Agreement")

is entered into as of this 30th day of January, 1998 by and between ISK Biosciences Corporation, a Delaware corporation ("ISK-B") and ISK Magnetix, Inc., a Delaware corporation ("ISK-M").

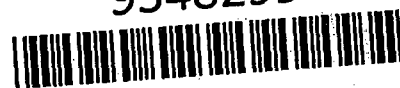
WITNESSETH:

WHEREAS, ISK-B has been the owner in fee simple of a certain tract of land located in Greens Bayou, Texas upon which the ISK-B manufacturing facility is located (the "Original Property");

83
A
WHEREAS, pursuant to that certain Long Term Lease dated January 1, 1995, ISK-B leased to ISK-M a portion of the Original Property pursuant to which ISK-M installed certain facilities and which, together with certain other parts of the Original Property, is more particularly described on Exhibit A attached hereto and made a part hereof (the "ISK-M Property");

WHEREAS, pursuant to the terms of that certain Agreement For Site Separation and Sale and Purchase of Property dated as of December 17, 1997 (the "Site Separation Agreement"), ISK-B divided the Original Property and conveyed to ISK-M its fee interest in the ISK-M Property, retaining that portion of the Original Property which is contiguous to the ISK-M Property and more particularly described on Exhibit B attached hereto and made part hereof (the "ISK-B Property");

9548299



516-71-3381

WHEREAS, ISK-M and ISK-B have entered into the certain Site Services Agreement for the providing and sharing of certain services between the ISK-M Property and the ISK-B Property (the "Site Services Agreement"); and

WHEREAS, the parties hereto desire to enter into this Agreement in order to provide for certain access rights, restrictions and other interests in land with respect to the ISK-B Property and ISK-M Property and in favor of the other.

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

I. EASEMENTS GRANTED BY ISK-B

ISK-B does hereby grant, transfer and convey unto ISK-M, and its successors and assigns, to have and to hold for the uses, purposes and terms as hereinafter provided, the easements and rights of way on, over, under and through the following property for the respective purposes indicated:

(a) ISK-M Rail Easement. A non-exclusive easement over and upon the railroad tracks, switches, bumpers and related rail rights-of-way, equipment and facilities on the land comprising a part of the ISK-B Property and more particularly described on Schedule 1 attached hereto and made part hereof, for the purpose of loading, unloading, servicing, inspecting and testing rail cars used in connection with ISK-M's current and similar future operations, including the delivery, unloading and other handling of caustic and other supplies and materials, inspecting the caustic unloading pump and related pipe, valves and meters used in connection with such unloading of caustic materials from rail cars, and operating the pickle-liquor arm and

516-71-3382

related equipment over the rail tracks for unloading of pickle-liquor from the rail cars (the "ISK-M Rail Easement");

(b) Electrical Easement. A non-exclusive easement through and upon that portion of the ISK-B Property as more particularly described on Schedule 2 attached hereto and made part hereof, for purposes of installing, maintaining, replacing, operating, inspecting and repairing any and all electrical lines, poles, transformers and related equipment servicing the ISK-M Property and installing, maintaining, replacing, operating, inspecting and repairing the equipment owned by ISK-M in the "138 KV Electrical Substation" (the "Electrical Easement");

(c) Nitrogen Services Easement. A non-exclusive easement for ingress and egress over, through and under that portion of the ISK-B Property more particularly described on Schedule 3 attached hereto and made part hereof for purposes of installing, maintaining, operating, inspecting, removing, replacing and repairing ISK-M owned piping, valves and related equipment for the delivery of Nitrogen to the ISK-M Property (the "Nitrogen Services Easement");

(d) Industrial and Potable Water Easement. A non-exclusive easement over that portion of the ISK-B Property more particularly described on Schedule 4 attached hereto and made part hereof for purposes of installing, inspecting, maintaining, repairing, removing, replacing and operating the pipes, valves and related equipment providing for the supply of industrial or potable water supplied by the North Channel Water Authority over the ISK-B Property to the ISK-M Property (the "Industrial and Potable Water Easement"); and

(e) Treated Process Waste Water Effluent Easement. A non-exclusive easement over that portion of the ISK-B Property described on Schedule 5 attached hereto and made part hereof, for the purpose of installing, maintaining, repairing, inspecting, removing and

516-71-3383

replacing the effluent pipeline, valves and related equipment and to transport treated waste water effluent over the ISK-B Property to the Ditch and Flume Discharge also as shown on Schedule 5 (the "Treated Process Waste Water Effluent Easement").

II. EASEMENTS GRANTED BY ISK-M

ISK-M does hereby grant, transfer and convey unto ISK-B, and its successors and assigns, to have and to hold for the uses, purposes and terms as hereinafter provided, the easements and rights of way on, under, over and through the following property for the purposes indicated:

(a) ISK-B Rail Easement. A non-exclusive easement over that portion of the ISK-M Property described on Schedule 6 attached hereto and made part hereof for the purposes of installing, maintaining, operating, inspecting, repairing, removing and replacing railroad track, switches, bumpers and related rail rights-of-way, equipment and facilities, and for loading, unloading, servicing, inspecting and testing rail cars used in connection with ISK-B's current and future operations (the "ISK-B Rail Easement");

(b) Switchhouse 18 and Power Cable Easement. A non-exclusive easement over that portion of the ISK-M Property described on Schedule 7 attached hereto and made part hereof for purpose of access to and installing, maintaining, operating, inspecting, repairing, removing and replacing (i) the electrical switching, transforming and transfer equipment owned by ISK-B and located thereon, in or connected to the building referred to as "Switchhouse 18," including, the power cable from Switchhouse 18 to the storm and waste water treatment area as also described on Schedule 7 and (ii) other equipment necessary or convenient to providing the services currently provided by such equipment (the "Switchhouse 18/Power Cable Easement");

516-71-3384

(c) Recreation Area Electrical Equipment Easement. A non-exclusive easement over that portion of the ISK-M Property described on Schedule 8 attached hereto and made part hereof for the purpose of access to and installing, maintaining, operating, inspecting, repairing, removing and replacing (i) ISK-B owned electrical equipment, lines, poles, transformers and cables serving the related equipment identified thereon and (ii) other equipment necessary or convenient to providing the services currently provided by such equipment (the "Recreation Area Electrical Equipment Easement");

(d) South Parcel Area Access and Equipment Easement. A non-exclusive easement over and upon that roadway south of Haden Road on ISK-M Property more particularly described on Schedule 9 attached hereto and made part hereof for purposes of ingress, egress and other access by vehicular and pedestrian traffic to the ISK-B Property retained south of the railroad tracks, including, among other things, the 138KV Substation and the Retired Waste Disposal Area each as identified on Schedule 9 (the "South Parcel Access/Easement");

(e) Natural Gas Pipeline Easement. A non-exclusive easement over that portion of the ISK-M Property described on Schedule 10 attached hereto and made part hereof for the purposes of installing, maintaining, inspecting, repairing, operating, removing and replacing the natural gas pipeline, valves and related equipment, providing, and inspecting the separate metering stations metering the flow of, natural gas to the ISK-B Property (the "Natural Gas Line Easement"); and

(f) Environmental Compliance Easement. A non-exclusive easement over the ISK-M Property for (1) installing, maintaining, operating, inspecting, testing, repairing, removing or replacing ISK-B owned remedial features and future remedial features (including, without limitation, monitoring wells, extraction wells, and slurry and cut-off walls and associated

utilities) ("Remedial Features") which are: (i) in existence on the ISK-M Property as of the date hereof, as depicted on Schedule 11 attached hereto and made part hereof; (ii) required under the permit for the Original Property issued by the Texas Natural Resource Conservation Commission under the Resource Conservation and Recovery Act and implementing Texas state statutes and regulations, TNRCC RCRA Permit No. HW-50205-000, as the same may be amended or modified (the "RCRA Permit"); or (iii) reasonably deemed necessary by ISK-B in order to perform its environmental responsibilities under the Site Separation Agreement, the Site Services Agreement and that certain Stock Purchase Agreement between Ishihara Sangyo Kaisha, Ltd. and Zeneca Holdings Inc., dated as of December 17, 1997 (the "Stock Purchase Agreement") and (2)(i) testing, analyzing, sampling and investigating (collectively and alternatively, "Investigative Activity") or (ii) remediating ("Remedial Activity") soil, ground water and waste on or around the ISK-M Property as required under the RCRA Permit or reasonably deemed necessary by ISK-B in order to perform its environmental responsibilities under the Site Separation Agreement, the Site Services Agreement or the Stock Purchase Agreement (the easements granted in this Section II(f) are referred to collectively as, the "Environmental Compliance Easement"). The Environmental Compliance Easement shall include, without limitation, the rights to access, maintain, operate and use the culvert in the Harris County Flood Control Ditch also described on Schedule 11, provided that all such use shall be in compliance with law.

III. MAINTENANCE, RELOCATION AND USE

(a) **Maintenance and Repair.** The rights and obligations of the parties with respect to the exercise of the rights and easements granted herein, including, without limitation, the use, maintenance and repair thereof and their respective responsibilities for the payment of the costs in connection therewith and the conditions and limitations on the exercise of certain of

516-71-3386

such rights, shall be subject to the relevant provisions of the Site Services Agreement, the Site Separation Agreement and the Stock Purchase Agreement, the terms and conditions of each of which are hereby incorporated by this reference, and to the further provisions of this Agreement. Upon the failure of ISK-B or ISK-M to maintain, as required by the Site Services Agreement, the improvements or equipment on the property covered by the easements granted hereby, ISK-B or ISK-M, as the case may be, are hereby granted a license to enter upon the defaulting party's property for the limited purposes of repairing and, if necessary, replacing said improvements or equipment in order to insure or restore the service threatened or interrupted by the failure to maintain.

(b) Limitations on Use. The easements granted herein are subject to the following limitations:

i. Duration. The following numbered easements shall terminate at the expiration of the periods set forth below, if not earlier terminated pursuant to the terms of this Agreement, unless extended by mutual agreement between the parties:

- I(a) ISK-M Rail Easement - perpetual
- I(b) Electrical Easement - perpetual
- I(c) Nitrogen Services Easement - perpetual
- I(d) Industrial and Potable Water Easement - perpetual
- I(e) Treated Process Wastewater Effluent Easement - 20 years
- II(a) ISK-B Rail Easement - perpetual
- II(b) Switch House 18/Power Cable Easement - perpetual
- II(c) Recreation Area Electrical Equipment Easement - perpetual
- II(d) South Parcel Area Access and Equipment Easement - perpetual
- II(e) Natural Gas Pipeline Easement - perpetual
- II(f) Environmental Compliance Easement - perpetual

ii. Use. The easements granted hereby are subject to the specific procedures set forth in this Agreement and generally subject to the right of ISK-B and

ISK-M, as grantors or grantees of said easements, to fully use and enjoy the easement premises (including for the servient estate, the right to grant additional rights over the same property) in any manner which does not unreasonably interfere with the exercise of the easement or property rights or the operations of the other party or endanger the health, safety or welfare of the other party or its employees and invitees, and the grantee of such easement rights shall not materially increase risk or materially and adversely increase the burden on the servient estate beyond that in existence at the Effective Date, except as caused by commercially reasonable expansion of or increase in operations on the dominant estate based on the current reasonable expectations of the parties. Additionally, to the extent easement rights granted hereby support or relate to services provided under the Site Services Agreement, such easement rights are subject to the terms and conditions of the Site Services Agreement.

iii. Consent. If and when (X) the exercise of any rights granted pursuant to this Agreement necessarily involves the modification, repair or replacement of equipment or other facilities not owned by the party exercising such rights or (Y) the exercise of such rights could materially and adversely affect the same services being furnished to the non-exercising party, then the exercise of any rights granted pursuant to this Agreement shall be subject to the prior written notice to and consent (not to be unreasonably withheld, conditioned or delayed) from the owner of the servient estate, provided that such consent may be conditioned on reasonable restrictions on the exercise of such rights. This Section III(b)(iii) shall not apply to the Environmental Compliance Easement.

iv. Common Rights. Each of the easements granted in Articles I and II are to be non-exclusive.

516-71-3388

v. Exercise. The party exercising rights hereunder may do so through agents, employees or contractors of the respective party and shall do so in a lien free manner and in compliance with all applicable laws, and in exercising such rights, neither party shall unreasonably interfere with the operations of the other party or endanger the health, safety or welfare of the other party or its employees and invitees. Except with regard to ISK-B's exercise of its rights under the Environmental Compliance Easement, liabilities relating to which are governed elsewhere in this and other agreements between the parties, any party exercising its rights hereunder shall do so at its sole risk, liability and expense.

(c) Relocation. Each of ISK-B and ISK-M hereby reserves the right as the party burdened by an easement, at its own expense, from time to time, to relocate any one or more of the easement premises subject to this Agreement (a "Relocation"); provided, however, that (i) the Relocation activity does not unreasonably interfere with the benefits and enjoyment of the easements and rights granted hereby in any material respect, (ii) the Relocation provides substantially the same benefit and use for its intended purpose by the grantee thereof, (iii) the rights and obligations under the Site Services Agreement are not adversely affected thereby and the provisions thereof are complied with and are not rendered in conflict with the Relocation, and (iv) the Relocation is not prohibited or unreasonably limited by law. Each party shall have the right to exercise this right by giving one hundred and twenty (120) days prior written notice of such party's intent to relocate. The grantee of such easement shall have the right to approve the area of the Relocation, which approval shall not be unreasonably withheld, conditioned or delayed. Upon such Relocation, the parties shall grant an easement in such relocated easement area and of the relocated facilities, by execution, delivery and filing in the public records of a Supplement to Easement in form and substance otherwise identical to the terms and provisions

516-71-3389

contained herein, but describing the premises, equipment and Relocation easement premises, equipment and facilities and terminating the portion of the easement being replaced.

(d) Termination/Abandonment. In the event of the abandonment of any of the easement rights granted in this Easement Agreement or the cessation, completion or termination of any of the services provided in the Site Services Agreement for which an easement has been granted, then ISK-B and ISK-M shall each execute and deliver, in recordable form, such instrument(s) as may be necessary to wholly or partially terminate the easement rights: (i) abandoned by the grantee thereof, (ii) no longer mandated by the Site Services Agreement, or (iii) terminated as otherwise set forth herein. If either ISK-B or ISK-M shall fail to execute the requested termination instrument within thirty (30) days after written request therefor, then the requesting party shall be entitled, without the necessity of joinder by the party failing to execute such instrument, to file of record an affidavit or other document, subject to any slander of title or other remedies available to the non-responding party, confirming the release, partial release or termination of the easement no longer encumbering the ISK-B Property or ISK-M Property, as the case may be. Such document shall be binding upon the parties as if both affected parties shall have executed the document. This Paragraph III(d) shall not be applicable to an easement granted in perpetuity, except for the Environmental Compliance Easement which may be terminated under this provision only upon: (1) abandonment and (2) final written determination by all government agencies with jurisdiction that no further investigation or remediation will be required in the future with regard to then existing circumstances.

(e) Appurtenant Nature of Easements. The easements and rights granted hereunder shall run with the land and be appurtenant (i) to the ISK-M Property in the case of those granted to ISK-M, and (ii) to the ISK-B Property in the case of those granted to ISK-B,

516-71-3390

until waived, terminated or abandoned as provided for in this Agreement. In the event of termination of any easement granted hereunder, other than the Environmental Compliance Easement, and at the request of the owner of the servient estate, the holder of the easement shall remove its property, if any (but not any shared property), and restore any damage caused by such removal.

(f) Environmental Compliance. (i) ISK-B hereby agrees that at least sixty (60) days prior to commencement of construction or removal of any Remedial Features or commencement of Remedial Activity on the ISK-M Property or a submittal to any government agency relating thereto ("Environmental Work"), ISK-B shall, except in the case of an emergency and then as soon as practicable, (X) provide notice to ISK-M, together with any proposals to conduct such Environmental Work including plans, specifications, drawings, schedules and reports relating thereto, and (Y) consult and cooperate with ISK-M in order to minimize business disruption during such Environmental Work. ISK-B agrees that upon reasonable objection from ISK-M as to the time, place or manner of Environmental Work, ISK-B shall use best efforts to develop, with ISK-M, reasonable alternatives as to time, place or manner for the proposed Environmental Work.

(ii) ISK-B hereby agrees that prior to its exercise of the rights granted under the Environmental Compliance Easement relating to Investigative Activity or the maintenance and operation of existing or future Remedial Features installed as contemplated herein on the ISK-M Property ("Maintenance Work"), ISK-B shall provide at least two business days' advance reasonable notice and shall use reasonable efforts to provide at least five business days' advance notice to ISK-M of the time, place, manner and scope of the proposed Maintenance Work and consult with ISK-M in order to schedule such Maintenance Work so as

516-71-3391

to minimize business interruption during such Maintenance Work. ISK-B may perform Maintenance Work: (i) upon shorter advance notice with the consent of ISK-M, which consent shall not be unreasonably withheld, and (ii) without notice to ISK-M in the case of an emergency to the extent reasonably necessary in light of the emergency.

(iii) ISK-B agrees that ISK-B shall use reasonable efforts to develop any proposals for Environmental Work or Maintenance Work in a manner that minimizes the disruptions to any existing improvements or operations on the ISK-M Property and any planned improvement or operation of which ISK-B has knowledge.

(iv) ISK-M shall, at least sixty (60) days, if feasible, but in no event later than ten (10) days prior to any material disturbance of soil on the ISK-M Property that may substantially interfere with ISK-B's exercise of its rights granted by the Environmental Compliance Easement or with ISK-B's obligations under the Site Separation Agreement, the Stock Purchase Agreement or the Site Services Agreement, provide notice thereof to ISK-B together with any site plans relating thereto. Upon ISK-B's reasonable objection to the proposed soil disturbance, ISK-M agrees to use best efforts to develop, with ISK-B, reasonable alternative designs or schedules for the proposed work.

(v) Each of ISK-M and ISK-B shall provide to the other copies of any analytical results from any soil and groundwater environmental samples and tests taken at, on or around the ISK-M Property.

(vi) Each of ISK-B and ISK-M agree to meet once every six (6) months, or at other intervals as may be agreed upon by the parties from time to time, at such time as shall be convenient for both parties, in order to discuss the Environmental Work and

516-71-3392

Maintenance Work contemplated by ISK-B and the planned operations on and improvement of the ISK-M Property.

(g) Appurtenance. ISK-M and ISK-B hereby subjects to and restricts the ISK-M Property and ISK-B Property, respectively, to the covenants and restrictions contained in this Article III which shall run with the land and bind each of the ISK-M Property and the ISK-B Property, the parties' hereto and their respective successors and assign.

(h) Certain Services. The parties acknowledge that as of the date of this Agreement ISK-B has agreed to provide to ISK-M certain services pursuant to the terms of the Site Services Agreement for the treatment of industrial storm water and sanitary waste from the ISK-M Property in the processing facilities on the ISK-B Property.

IV. MISCELLANEOUS

(a) INDEMNITY. (i) EXCEPT AS PROVIDED IN THE INDEMNIFICATION, WAIVER, DISCLAIMER AND LIMITATION OF LIABILITY PROVISIONS OF THE SITE SERVICES AGREEMENT, EACH OF ISK-B AND ISK-M AGREE TO INDEMNIFY THE OTHER FROM ALL ACTIONS, CAUSES OF ACTIONS, CLAIMS, DAMAGES, FINES, LIABILITIES, LOSSES, PENALTIES, RESPONSIBILITIES, SETTLEMENTS, COST OR EXPENSE (INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS' FEES AND CONSULTANTS' FEES AND COSTS OF COURT) (ALL OF THE FOREGOING COLLECTIVELY CALLED, "LIABILITIES, ACTIONS AND DAMAGES") SUFFERED OR INCURRED BY THE INDEMNIFIED PARTY PROXIMATELY CAUSED BY THE INDEMNIFYING PARTY'S USE OF THE EASEMENT RIGHTS GRANTED TO THE INDEMNIFYING PARTY PURSUANT TO THIS AGREEMENT. THE INDEMNIFICATION OBLIGATIONS AND RIGHTS OF THIS

516-71-3393

SUBPARAGRAPH IV(a)(i) SHALL NOT APPLY TO THE EXERCISE OF ISK-B'S RIGHTS UNDER THE ENVIRONMENTAL COMPLIANCE EASEMENT. THE TERM "INDEMNIFYING PARTY" SHALL INCLUDE AGENTS, EMPLOYEES, AND CONTRACTORS OF THE INDEMNIFYING PARTY AND THE TERM "INDEMNIFIED PARTY" SHALL INCLUDE DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES, AGENTS AND CONTRACTORS OF THE INDEMNIFIED PARTY.

(ii) ISK-B HEREBY INDEMNIFIES ISK-M FROM ALL "LIABILITIES, ACTIONS AND DAMAGES" (AS DEFINED IN PARAGRAPH IV(a)(i) ABOVE) SUFFERED OR INCURRED BY ISK-M, ITS DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES, AGENTS AND CONTRACTORS PROXIMATELY CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ISK-B, ITS AGENTS, EMPLOYEES AND CONTRACTORS IN CONNECTION WITH ISK-B'S PERFORMANCE OF WORK UNDER THE ENVIRONMENTAL COMPLIANCE EASEMENT (IT BEING UNDERSTOOD AND AGREED THAT THIS INDEMNITY SHALL NOT APPLY TO "LIABILITIES, ACTIONS AND DAMAGES" FOR THE ENVIRONMENTAL CONDITION OF THE ISK-M PROPERTY AS IN EXISTENCE ON THE DATE HEREOF); PROVIDED, HOWEVER, THAT SO LONG AS THE ISK-M PROPERTY IS OWNED BY A DIRECT OR INDIRECT WHOLLY-OWNED AFFILIATE OF ISHIHARA SANGYO KAISHA, LTD., A JAPANESE CORPORATION OR A SUCCESSOR THERETO, THE FOREGOING INDEMNITY SHALL NOT APPLY, AND "LIABILITIES, ACTIONS AND DAMAGES" SUFFERED BY THE OWNER OF THE ISK-M PROPERTY AGAINST ISK-B IN CONNECTION WITH ISK-B'S PERFORMANCE OF WORK UNDER THE

516-71-3394

ENVIRONMENTAL COMPLIANCE EASEMENT SHALL BE SUBJECT TO AND GOVERNED BY THE SITE SEPARATION AGREEMENT.

(b) WAIVER. NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE SITE SERVICES AGREEMENT TO THE CONTRARY, ISK-M WAIVES AND RELEASES ANY "LIABILITIES, ACTIONS AND DAMAGES" UNDER ANY ENVIRONMENTAL LAWS (AS DEFINED IN THE STOCK PURCHASE AGREEMENT), INCLUDING WITHOUT LIMITATION THOSE ARISING FROM ISK-B'S NEGLIGENCE OR STRICT LIABILITY, ARISING FROM ISK-B'S EXERCISE OF THE RIGHT UNDER THE ENVIRONMENTAL COMPLIANCE EASEMENT IN ACCORDANCE WITH THIS AGREEMENT OTHER THAN ANY SUCH "LIABILITIES, ACTIONS AND DAMAGES" ARISING FROM ISK-B'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE FOREGOING WAIVER AND RELEASE SHALL NOT APPLY TO ANY MATTER COVERED BY SECTION 5.3(b)(ii) OF THE SITE SEPARATION AGREEMENT.

(c) Interpretation. This Agreement, the Site Separation Agreement, and the Site Services Agreement shall be read and construed together to give consistent effect thereto, provided that with respect to matters thereunder or relating thereto that are governed by Article 9 of the Stock Purchase Agreement, said Article 9 shall govern.

(d) Applicable Law: Severability. This Agreement shall be construed in accordance with the laws of the State of Texas. If any provisions hereof shall be determined to be unenforceable, the remaining provisions of this Agreement shall be enforceable in accordance with the terms hereof as if the unenforceable provisions were not contained herein.

516-71-3355

lodging establishments; raising of crops or livestock; recreation, school nursery, daycare or other similar establishment; or hospital, medical office or other similar establishment; provided, however, that recreational use shall not be restricted or prohibited on that portion of the Property identified on Exhibit "D" attached hereto and made part hereof.

IN TESTIMONY WHEREOF, this instrument is executed effective as of the 30th day of January, 1998.

Signed in the presence of:

Douglas O. Cooper
Douglas O. Cooper

Alan S. Ritchie
Alan S. Ritchie

Alan S. Ritchie
Alan S. Ritchie

ISK BIOSCIENCES CORPORATION,
a Delaware Corporation

By: Franklin S. Barry, Jr.
Name: Franklin S. Barry, Jr.
Title: Chairman

ISK MAGNETICS, INC.,
a Delaware Corporation

By: Haruo Ohta
Name: Haruo Ohta
Title: Director

THE STATE OF OHIO)
COUNTY OF CUYAHOGA) SS.:

This instrument was acknowledged before me this 28th day of January, 1998, by Franklin S. Barry, Jr., Chairman of ISK Biosciences Corporation, a Delaware corporation, on behalf of such corporation.

DOUGLAS O. COOPER, Attorney At Law
Notary Public - State of Ohio
(SEAL) My commission has no expiration date.
Section 147.03 R. 44

Douglas O. Cooper
Notary Public in and for
the State of Ohio

Print Name: Douglas O. Cooper
My Commission Expires: has no expiration date.

516-71-3356

THE STATE OF OHIO)
) SS.:
COUNTY OF CUYAHOGA)

This instrument was acknowledged before me this 28th day of January, 1998,
by Haruo Ohta Director of ISK Magnetics,
Inc., a Delaware corporation, on behalf of such corporation.

(SEAL)

Douglas O. Cooper
Notary Public in and for
the State of Ohio

Print Name: Douglas O. Cooper

My Commission Expires has no
expiration date

DOUGLAS O. COOPER, Attorney At Law
Notary Public - State of Ohio
My commission has no expiration date.
Section 147.03 R. C.

516-71-3357

Exhibit A

TRACT "B"

Being A 19.018 acres 828,438 sq. ft. tract of land being A called 8.331 acre tract A 3.523 acre tract and a Southeasterly portion of a 121.1328 acre tract out of the Richard and Robert Vince Survey A-76 being further described as follows: D

Beginning at an "x" found cut in concrete for the southwest corner of this 3.523 acre tract and the southeast corner of a called 121.1328 acre tract described at Film C-2 No. 057-72-1591 of the Harris County Deed Records, from which a brass cap set in concrete bears North 79 deg. 20 min. 38 sec. West a distance of 2.92 feet.

Thence N 80 deg. 14' 06" W along the South line of the 121.1328 acre tract a distance of 144.94' to a FND monument in concrete for a corner.

Thence N 53 deg. 53' 24" W a distance of 746.83' to a FND 1/2" I.R. being the Southwest corner of the Haden Road R.O.W. for a corner.

Thence N 03 deg. 26' 52" W along the East R.O.W. of Haden Road a distance of 77.73' to a FND "x" in concrete for a corner.

Thence the following bearings and distances for a course through the plant

N 71 deg. 58' 01" E	34.88'
S 53 deg. 41' 20" E	220.06'
N 83 deg. 16' 36" E	235.62'
S 89 deg. 30' 37" E	141.91'
N 04 deg. 21' 19" W	181.15'
S 88 deg. 23' 17" W	31.66'
N 2 deg. 34' 28" W	25.30'
S 88 deg. 31' 25" W	4.24'
N 5 deg. 23' 09" W	41.69'
S 85 deg. 02' 02" W	2.68'
N 2 deg. 54' 07" W	30.20'
S 88 deg. 33' 12" W	5.22'
N 3 deg. 24' 06" W	81.49'
N 89 deg. 59' 22" W	2.73'
N 3 deg. 28' 45" W	81.27'
S 87 deg. 51' 14" W	19.04'
N 02 deg. 20' 56" W	178.33'
N 03 deg. 19' 09" W	387.46'
N 86 deg. 33' 14" E	104.77'
N 01 deg. 29' 59" E	3.94'

516-71-3358

(Exhibit A continued)

Thence N 86 deg. 31' 07" E a distance of 186.65' to a set 1/2" I.R. being the East R.O.W. of the H.C.F.C.D. easement for a corner.

Thence S 03 deg. 30' 17" W along the East R.O.W. of the H.C.F.C.D. easement a distance of 686.26' to a set 1/2" I.R. for a corner.

Thence N 86 deg. 29' 36" E along the North property line of the 8.331 acre tract a distance of 406.12" to a set 1/2" I.R. for a corner.

Thence S 15 deg. 13' 26" W a distance of 1261.88' to a set 1/2" I.R. for a corner.

Thence S 03 deg. 30' 23" E a distance of 70.73' to a FND 5/8" I.R. with cap for a corner.

Thence S 10 deg. 21' 56" E a distance of 217.09' to a FND 5/8" I.R. with cap for a corner.

Thence S 17 deg. 11' 02" E a distance of 583.55' to a set 1/2" I.R. for a corner.

Thence S 05 deg. 06' 02" W a distance of 149.81' to a set 1/2" I.R. on a point of curve with a radius of 1860.18' for a corner.

Thence along said curve to the right with a radius of 1860.18' an arc distance of 235.08' to a FND "x" in concrete and being the place of beginning.

Containing 19.018 acres of land

516-71-3359

(Exhibit A continued)

TRACT "E"

Being 66.166 acres 2,882,191 sq. ft. tract of land out of a 99.811 acre tract described in Vol. 1395 pg. 533 H.C.D.R., lying in the Richard and Robert Vince Survey A-76 and being further described as follows:

Commencing at a found monument in concrete being the Northwest corner of A 60' Harris County Flood Control District R.O.W. as described in Vol. 3616 pg. 463 of the H.C.D.R. and lying on the South line of the Harris County, Houston Ship Channel Railroad R.O.W. for a corner.

Thence S 53 deg. 27' 36" W along the South line of Tract "D" a distance of 996.86' to a set 1/2" I.R. for a corner being the place of beginning.

Thence S 53 deg. 27' 36" W a distance of 1468.44' to a point at the waters edge (as of 12/16/97) of Greens Bayou for a corner.

Thence along the following meanders of the North edge of water of Greens Bayou:

N 63 deg. 38' 00" W	56.90'
N 52 deg. 21' 47" W	125.75'
N 38 deg. 43' 37" W	71.40'
N 52 deg. 56' 19" W	92.04'
N 43 deg. 03' 34" W	115.99'
N 39 deg. 36' 40" W	163.38'
N 38 deg. 28' 29" W	171.28'
N 34 deg. 51' 02" W	107.43'
N 35 deg. 35' 40" W	384.93'
N 39 deg. 20' 10" W	81.97'
N 33 deg. 51' 50" W	215.84'

Thence N 53 deg. 27' 36" E a distance of 1130.62' to a set 1/2" I.R. for a corner.

Thence S 36 deg. 32' 24" E a distance of 20.00' to a set 1/2" I.R. for a corner.

Thence N 53 deg. 25' 39" E a distance of 731.34' to a set 1/2" I.R. for a corner.

Thence S 12 deg. 10' 43" E a distance of 260.79' along the West line of Tract "C" to a set 1/2" I.R. for a corner.

Thence N 77 deg. 49' 17" E along the South line of Tract "C" a distance of 275.92" to a set 1/2" I.R. for a corner.

516-71-3360

Thence N 12 deg. 10' 43" W along the East line of Tract "C" a distance of 258.76' to a set 1/2" I.R. for a corner.

Thence N 89 deg. 56' 23" E a distance of 8.76' to a FND 1/2" I.R. lying on the South R.O.W. of the Harris County, Houston Ship Channel Railroad R.O.W. for a corner.

Thence S 53 deg. 53' 24" E along the South R.O.W. of the said Railroad a distance of 718.51' to a set 1/2" I.R. for a corner.

Thence S 81 deg. 06' 36" W along the common line between Tract "E" and Tract "D" a distance of 316.52' to a set 1/2" I.R. for a corner.

Thence S 21 deg. 26' 28" W a distance of 611.57' to a set 1/2" I.R. for a corner.

Thence S 71 deg. 09' 20" E a distance of 210.14' to a set 1/2" I.R. for a corner.

Thence S 25 deg. 12' 35" E a distance of 274.46' to a set 1/2" I.R. for a corner.

Thence S 22 deg. 39' 62" E a distance of 128.66' to a set 1/2" I.R. for a corner and being the place of beginning.

Containing 66.166 acres of land.

516-71-3361

Exhibit B

Reserved Assets

All the track and associated fixtures comprising the railroad track spur described more particularly on **Schedule B-1**; (ii) the electrical equipment owned by Seller in Switchhouse 18 identified on **Schedule B-2**; (iii) existing monitoring and extraction wells, slurry walls, and associated piping, cables and other equipment described more particularly in **Schedule B-3**; and (iv) piping, cables, lines and telephone lines and related equipment described more particularly on **Schedule B-4**.

516-71-3362

Schedule B-1

Retained Rail Track

(See attached Drawing)

Jerry A. Anderson
COUNTY ENGINEER

Retained Rail Track (within batched area)



1. AREA BOUNDARY NEEDS TO BE CLARIFIED WITH RESPECT TO CLOSED NEUTRALIZATION UNIT RECOVERY WELLS.
2. FENCE MAY NOT CONFORM TO PROPERTY LINE DUE TO NEED FOR ACCESS FOR MAGNETICS TO LABORATORY.

ATTACHMENT 2
APPROXIMATE
BOUNDARY
ISK MAGNETICS, INC

516-71-3363

401581-008	GENERAL FACILITIES PLOT PLAN FOR PLANT CO-ORDINATES AND LIR CO-OPERATES
401583-005	GENERAL FACILITIES PLOT PLAN WITH PLANT CO-ORDINATES AND LAT AND LONG.
401583-006	GENERAL FACILITIES PLOT PLAN WITH PLANT HORIZONTALS AND VERTICAL CONTROL MEASUREMENTS
401583-003	GENERAL FACILITIES SCHEMATIC SURVEY AND GEOTECHNICAL DATA
09-06	REFERENCE DRAWINGS
	ASSOCIATE DRAWING
DATE:	APPROVED BY:
SIGNATURE:	DATE:

ISK BIOSCIENCES
40M181-TEMP3A

516-71-3364

Schedule B-2

Retained Switchhouse 18 Electrical Equipment

ISK Biosciences N.E. Feeder Breaker: Substation 18

Manufacturer: Asea Brown Boveri

Description: Circuit Breaker, 15 KV, 1200 amp, 500 MVA, 40 KVA, Type IJVHK500

Serial Number: 865838A001-011194

ISK Reference Drawing No. 40M164-001

516-71-3365

Schedule B-3

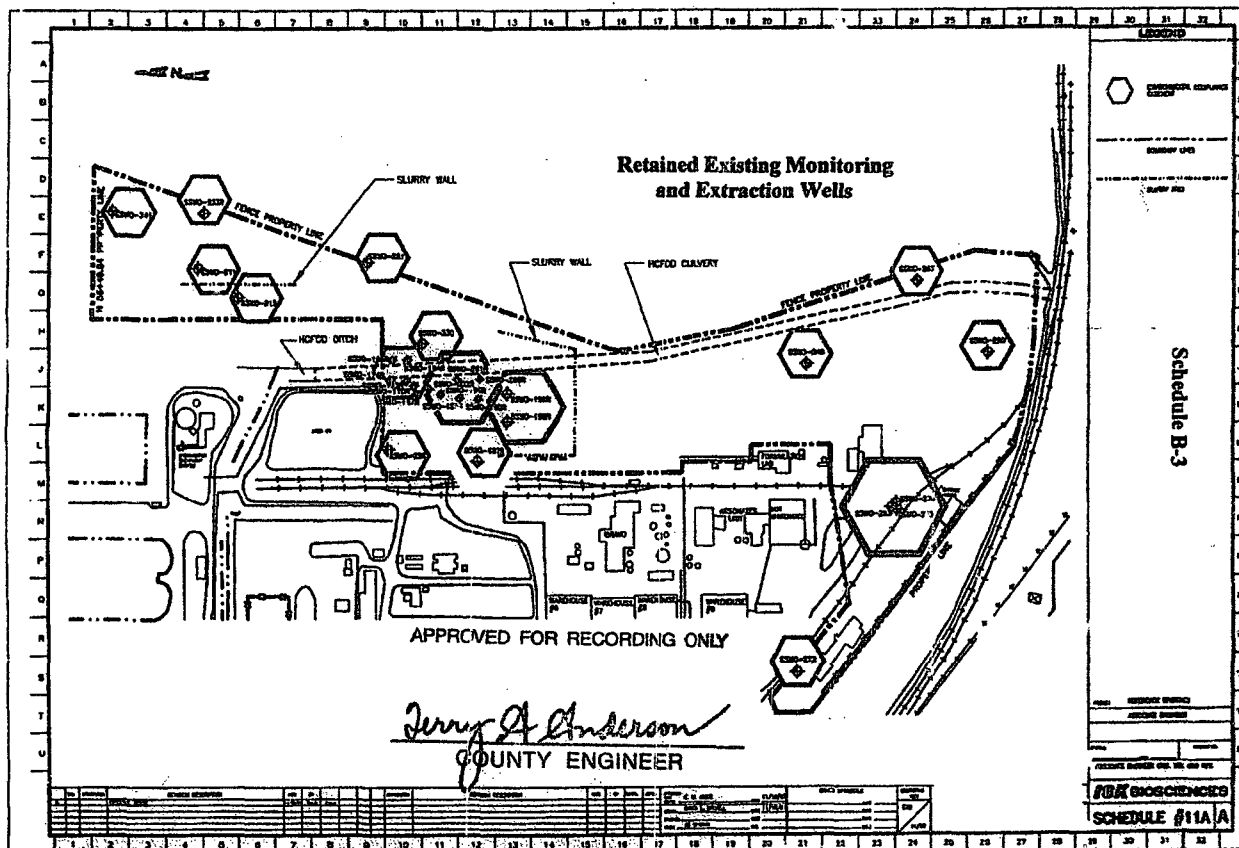
Retained Existing Monitor and Extraction Wells

(See Attached Drawing)

013

ISK BIOSCIENCES

12/16/97 TUE 16:25 FAX 713 450 8084



Schedule B-3

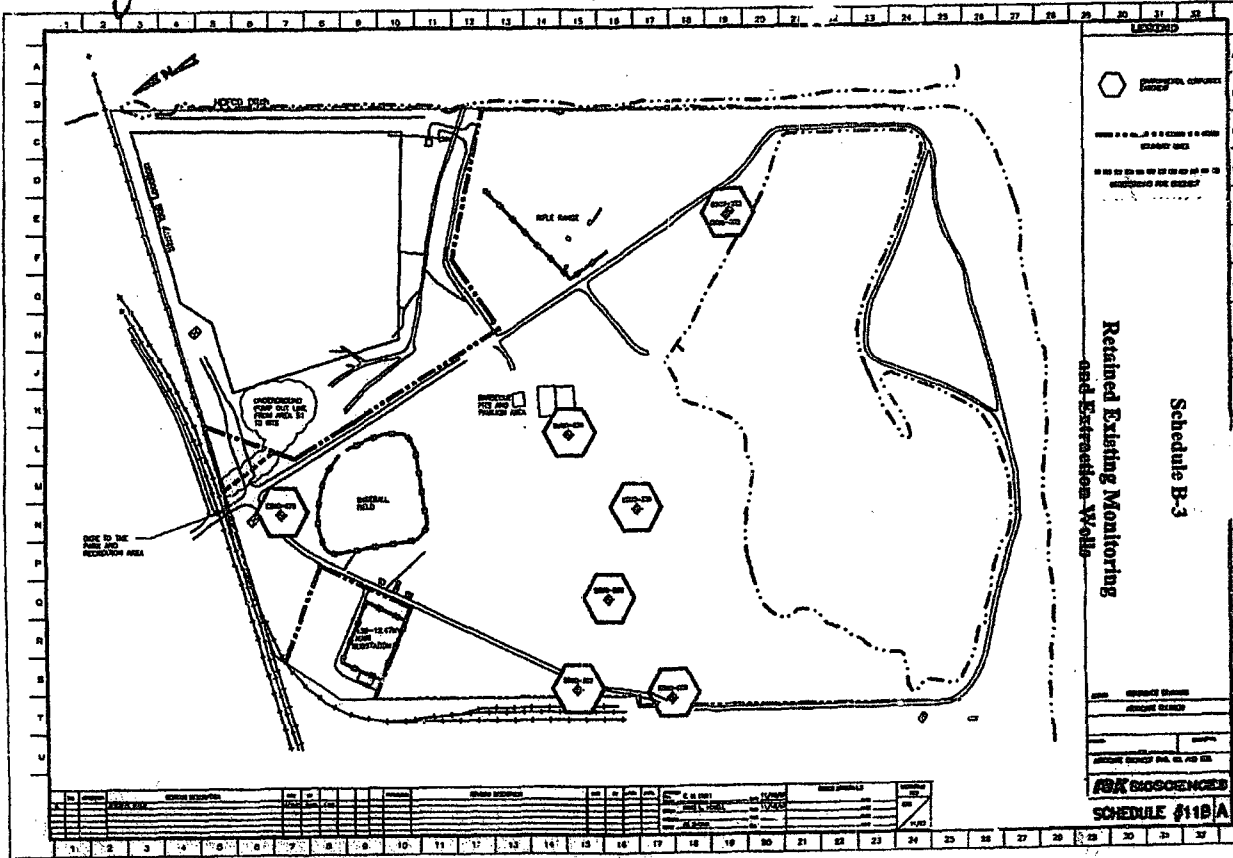
516-71-3366

APPROVED FOR RECORDING ONLY

Jerry A. Anderson
COUNTY ENGINEER

ISK BIOSCIENCES

12/16/97 TUE 16:26 FAX 713 450 8064



516-71-3367

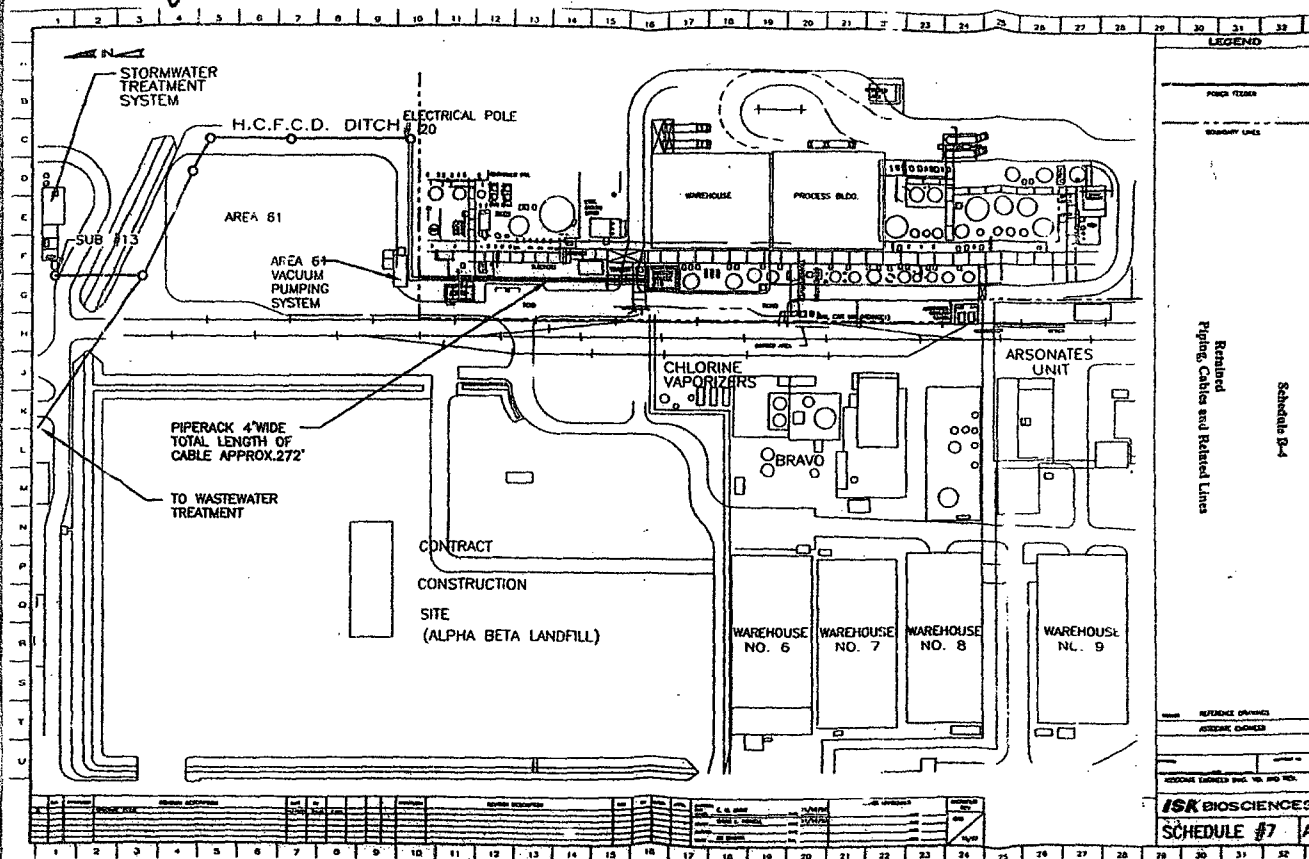
516-71-3368

Schedule B-4

Retained Piping, Cables, Lines and Telephone Lines and related equipment

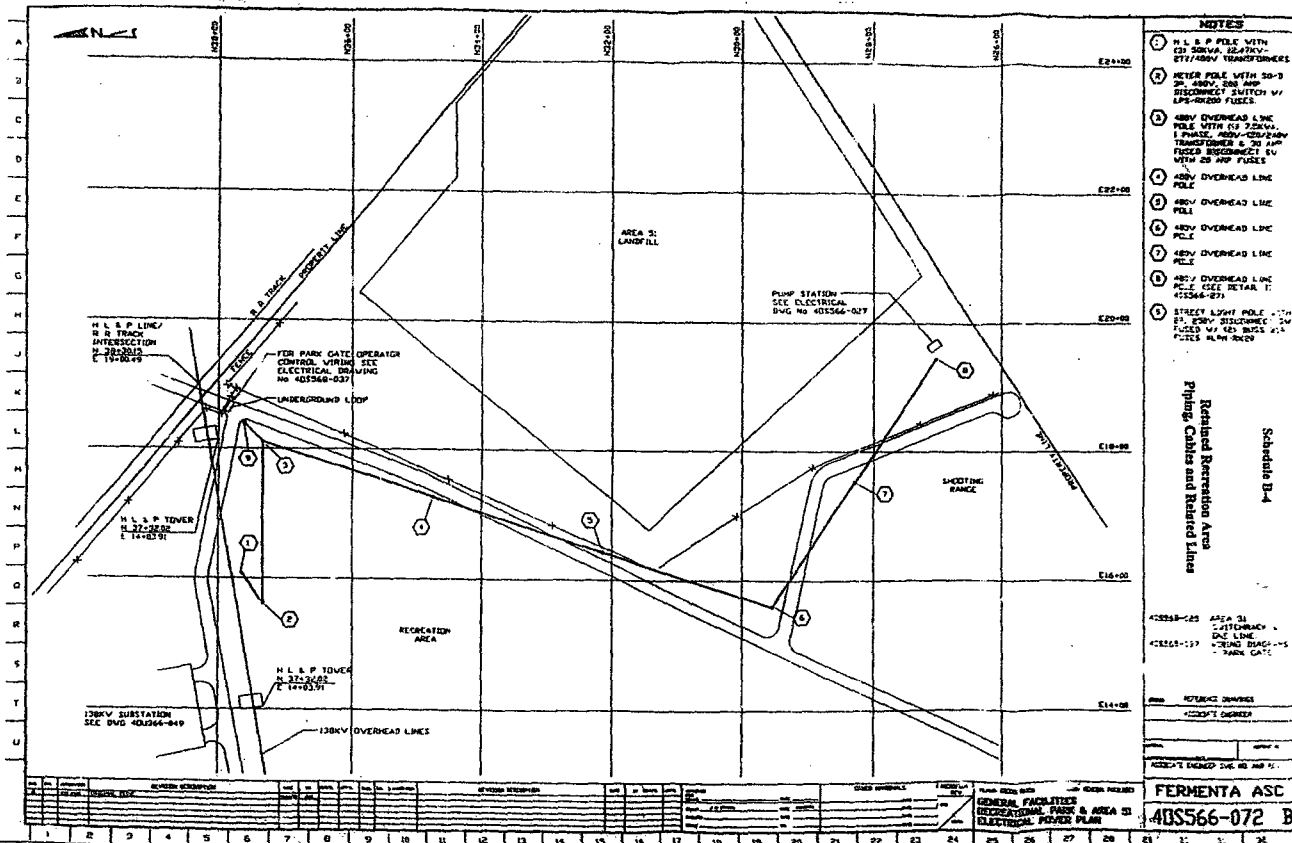
(See Attached Drawing)

Jerry A. Anderson
COUNTY ENGINEER



516-71-3369

Jerry A. Anderson
COUNTY ENGINEER



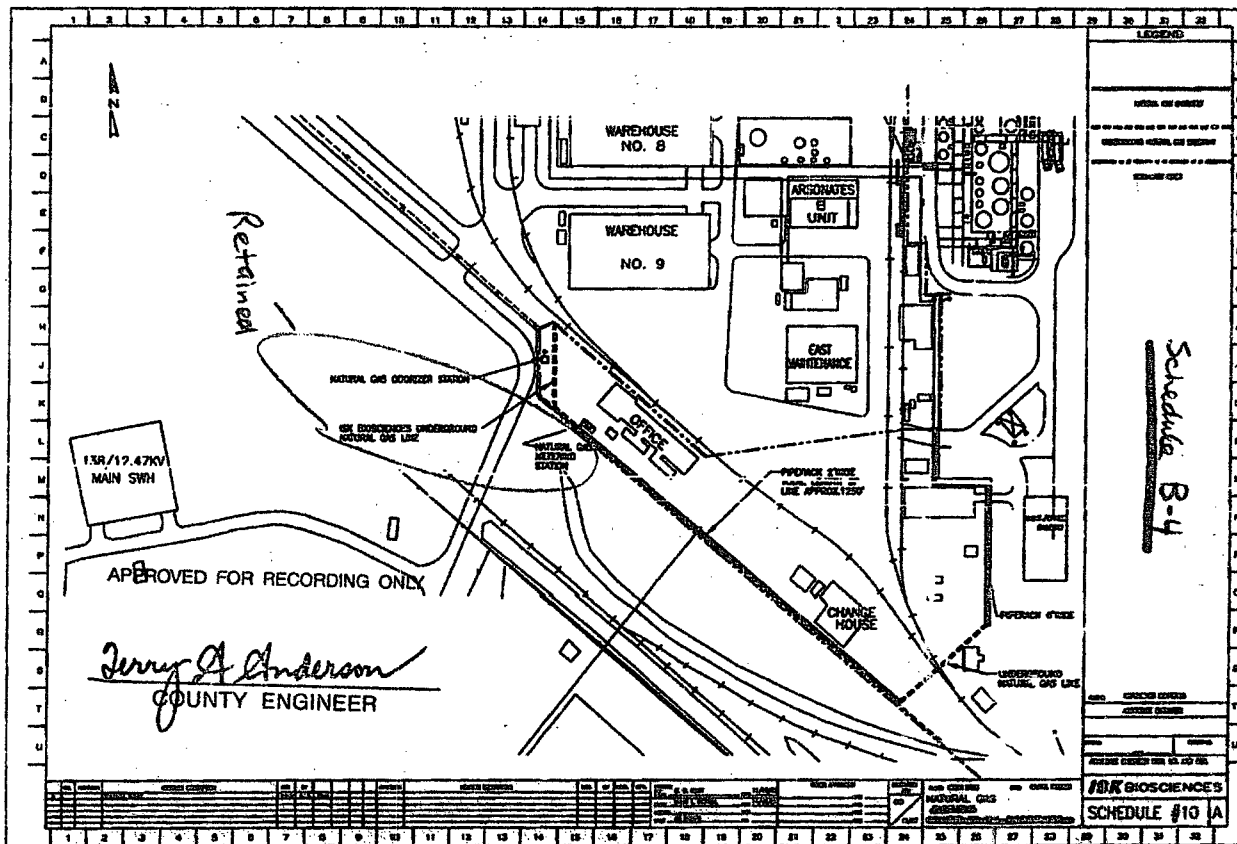
516-71-3370

01/28/08 16:53 2713 400 0031

ISK CB PETERS

516-71-3371

002/008

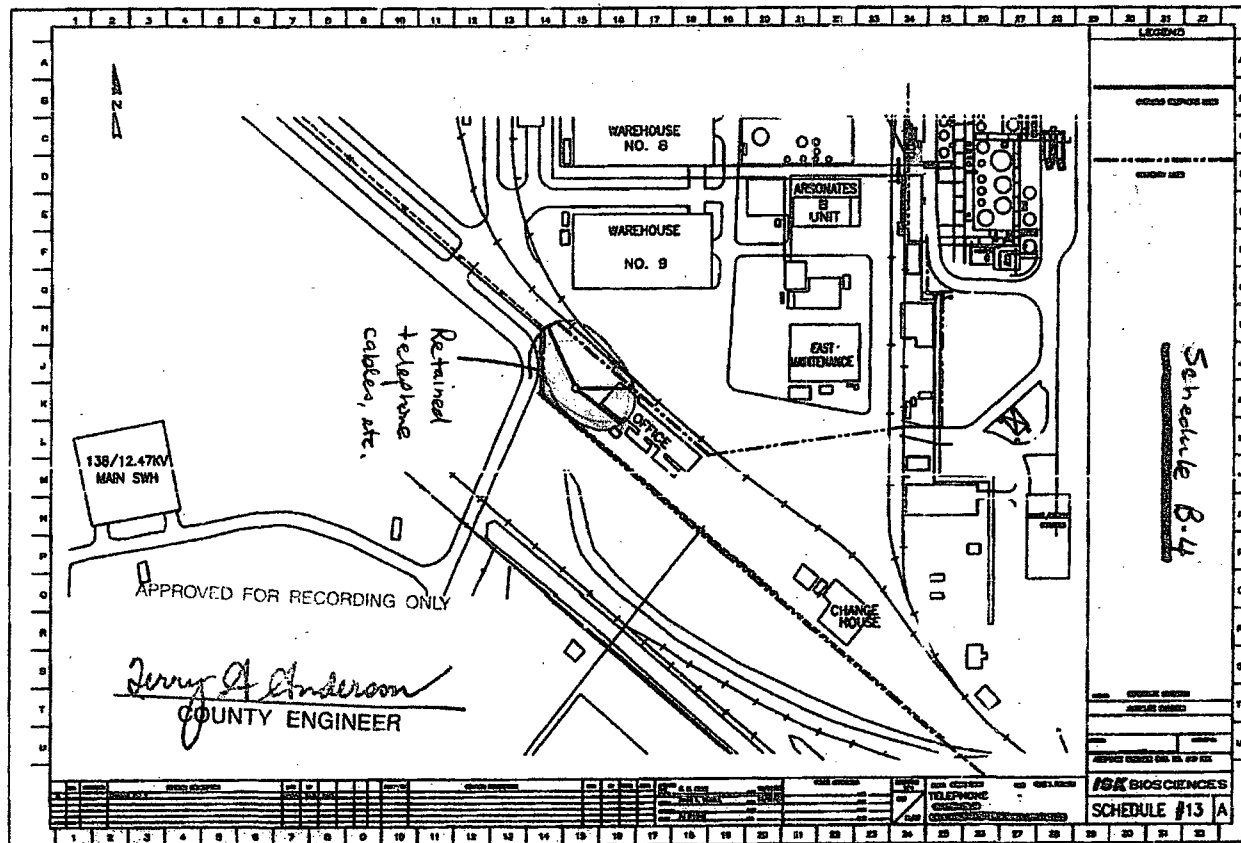


01/28/93 16:54 0713 400 8921

15K CB PERMS

516-71-3372

0004/008



RECORDING ONLY

Jerry A. Anderson
COUNTY ENGINEER

01/28/88

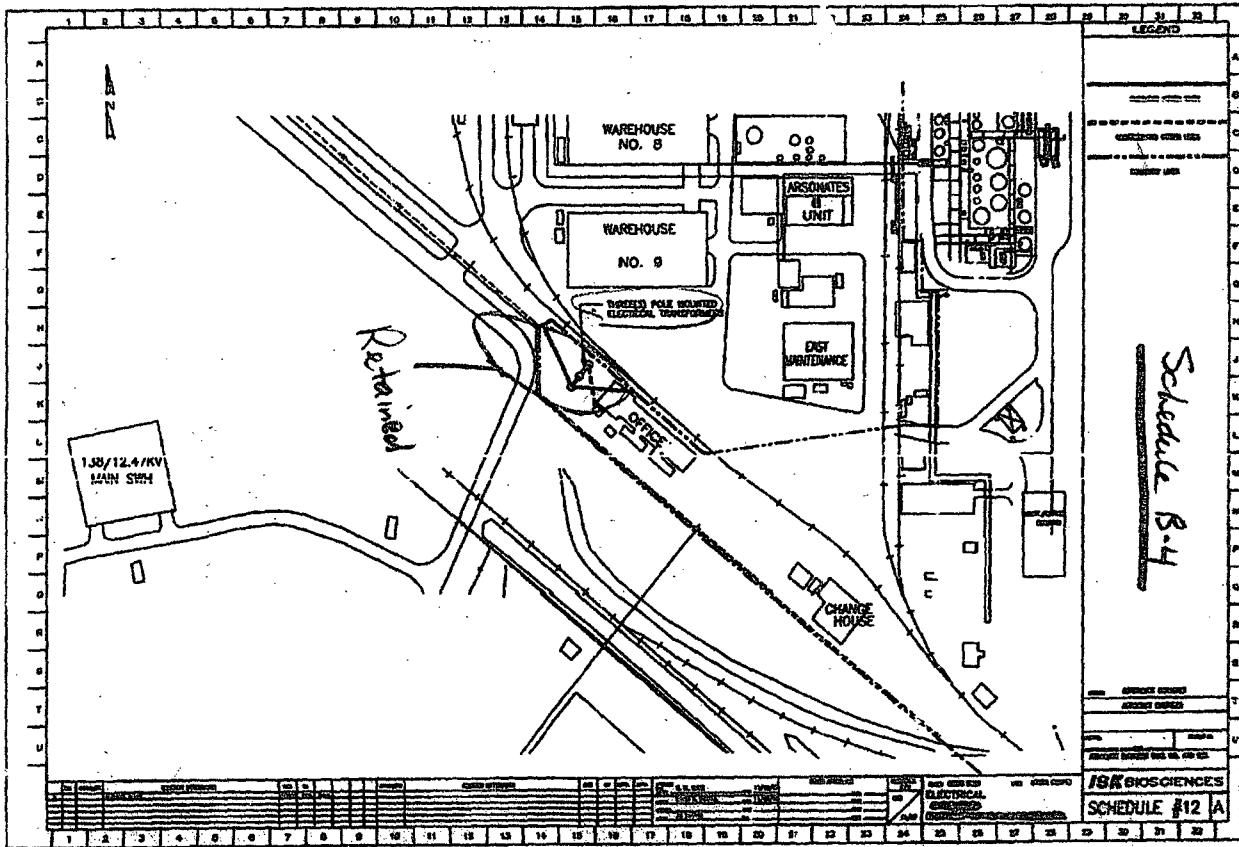
10:53

0713 480 8021

18K CB PETERS

516-71-3373

0093/008



516-71-3374

Exhibit C

TRACT "A"

Beginning 115.438 acres 5,028,459 sq. ft. of land out of an original called 145.903 acre tract of land as described in Vol. 1395 pg. 533 of the deed records of Harris County and being further described as follows:

Commencing at an "x" found cut in concrete for the southwest corner of this 3.523 acre tract and the southwest corner of said 109.828 acre tract and the southeast corner of a called 121.1328 acre tract described at Film Code No. 057-72-1591 of the Harris County Deed Records, from which a brass cap set in concrete bears North 89 deg. 20 min. 38 sec. West a distance of 2.92 feet.

Thence N 80 deg. 14' 06" W a distance of 144.94' to a FND monument in concrete for a corner.

Thence N 80 deg. 53' 24" W a distance of 746.83' to a FND, 1/2" I.R., lying on the South East corner of Haden Road R.O.W. (called 60') for a corner.

Thence N 03 deg. 26' 52" W across the Easterly line of the Haden Road R.O.W. a distance of 77.73' to a found "x" in concrete for a corner and the place of beginning.

Thence N 53 deg. 53' 24" W along the North R.O.W. of Haden Road a distance of 2377.67' to FND, 5/8" I.R. being the Southeast corner of the Jones Chemical Co. Tract as described in County Clerk's file No. E497 928 of the H.C.D.R. for a corner.

Thence N 03 deg. 27' 24" W along the Jones Chemical Co. East line a distance of 544.84' to a FND 1/2" I.R. for a corner.

Thence N 86 deg. 32' 36" E a distance of 150.00' to a FND 1/2" I.R. for a corner.

Thence N 03 deg. 27' 24" W a distance of 500.00' to a set 1/2" I.R. on the South R.O.W. of the Houston Northshore Railway 100' R.O.W. for a corner.

Thence N 86 deg. 32' 36" E along the South R.O.W. of the Houston Northshore Railway a distance of 2226.04' to a set 1/2" I.R. for corner.

Thence S 03 deg. 14' 24" E a distance of 100.79' to a FND 1/2" I.R. for a corner.

Thence S 33 deg. 13' 51" E a distance of 173.13' to a FND 1/2" I.R. for a corner.

Thence S 20 deg. 34' 51" E a distance of 122.79' to a FND 1/2" I.R. for a corner.

Thence N 03 deg. 30' 17" W a distance of 245.73' to a set 1/2" I.R. lying on the East R.O.W. of a Harris County flood control district easement for a corner.

516-71-3375

(Exhibit C continued)

Thence S 33 deg. 30' 07" E, along the East R.O.W. of the H.C.F.C.D. easement a distance of 182.08' to a set 1/2" I.R. for a corner.

Thence S 03 deg. 30' 17" E a distance of 1307.62' to a set 1/2" I.R. for a corner.

Thence S 86 deg. 29' 36" W across the H.C.F.C.D. easement a distance of 186.65' to a point for a corner.

Thence along a route through the plant the following bearings and distances:

S 01 deg. 29' 59" W	3.94'
S 86 deg. 33' 14" W	104.77'
S 03 deg. 19' 09" E	387.46'
S 02 deg. 20' 56" E	178.33'
N 87 deg. 51' 14" E	19.04'
S 03 deg. 28' 45" E	81.27'
S 89 deg. 59' 22" E	2.73'
S 03 deg. 24' 06" E	81.49'
N 88 deg. 33' 12" E	5.22'
S 02 deg. 54' 07" E	30.20'
N 85 deg. 02' 02" E	2.68'
S 5 deg. 23' 09" E	41.69'
N 88 deg. 31' 25" E	4.24'
S 02 deg. 34' 28" E	25.30'
N 88 deg. 23' 17" E	31.66'
S 4 deg. 21' 19" E	181.45'
N 89 deg. 30' 37" W	141.91'
S 83 deg. 16' 36" W	235.62'
N 53 deg. 41' 20" W	220.06'

Thence S 71 deg. 58' 01" W a distance of 34.88' to a FND "x" in concrete being the place of beginning.

Containing 115.438 acres of land

516-71-3376

(Exhibit C continued)

TRACT "C"

Being 1.770 acres 77,121 sq. ft. tract of land out of a 99.811 acre tract as described in Vol. 1395 pg. 533 H.C.D.R., lying in the Richard and Robert Vince Survey A-76 and being further described as follows:

Commencing at a found monument in concrete being the Northwest corner of a 60' Harris County Flood Control District R.O.W. as described in Vol. 3616 pg. 463 of the H.C.D.R. and

lying on the South line of the Harris County Houston Ship Channel Railroad R.O.W. for a corner.

Thence N 53 deg. 53' 24" W a distance of 1498.30' to a found 1/2" I.R. for a corner.

Thence S 89 deg. 56' 23" W a distance of 8.76' to a set 1/2" I.R. for a corner and being the place of beginning.

Thence S 12 deg. 10' 43" E a distance of 258.76' to a set 1/2" I.R. for a corner.

Thence S 77 deg. 49' 17" W a distance of 275.92' to a set 1/2" I.R. for a corner.

Thence N 12 deg. 10' 43" W a distance of 260.79' to a set 1/2" I.R. for a corner.

Thence N 53 deg. 25' 39" E a distance of 94.01' to a FND nail in concrete for a corner.

Thence N 89 deg. 56' 23" E a distance of 194.64' to a set 1/2" I.R. for a corner and the place of beginning.

Containing 1.770 acres of land.

516-71-3377

(Exhibit C continued)

TRACT "D"

Being 14.978 acres 652,430 sq. ft. tract of land out of a 99.811 acre tract as described in Vol. 1395 pg. 533 H.C.D.R., lying in the Richard and Robert Vince Survey A-76 and being further described as follows:

Beginning at a found monument in concrete being the Northwest corner of a 60' Harris County Flood Control District R.O.W. as described in Volume 3616 pg. 463 of the H.C.D.R. and lying on the South line of the Harris County, Houston Ship Channel Railroad R.O.W. for a corner.

Thence S 53 deg. 27' 36" W a distance of 996.86' to a set 1/2" I.R. for a corner.

Thence N 22 deg. 39' 26" W a distance of 128.66' to a set 1/2" I.R. for a corner.

Thence S 5 deg. 12' 35" W a distance of 274.76' to a set 1/2" I.R. for a corner.

Thence N 71 deg. 09' 20" W a distance of 210.14' to a set 1/2" I.R. for a corner.

Thence N 21 deg. 26' 28" E a distance of 611.57' to a set 1/2" I.R. for a corner.

Thence N 81 deg. 06' 36" E a distance of 316.52' to a set 1/2" I.R. on the South R.O.W. of the Harris County, Houston Ship Channel Railroad R.O.W. for a corner.

Thence S 53 deg. 53' 24" E along the South R.O.W. a distance of 779.79' to a found monument in concrete being the place of beginning.

Containing 14.978 acres of land.

516-71-3378

Exhibit D

TRACT "E"

Being 66.166 acres 2,882,191 sq. ft. tract of land out of a 99.811 acre tract described in Vol. 1395 pg. 533 H.C.D.R., lying in the Richard and Robert Vince Survey A-76 and being further described as follows:

Commencing at a found monument in concrete being the Northwest corner of A 60' Harris County Flood Control District R.O.W. as described in Vol. 3616 pg. 463 of the H.C.D.R. and lying on the South line of the Harris County, Houston Ship Channel Railroad R.O.W. for a corner.

Thence S 53 deg. 27' 36" W along the South line of Tract "D" a distance of 996.86' to a set 1/2" I.R. for a corner being the place of beginning.

Thence S 53 deg. 27' 36" W a distance of 1468.44' to a point at the waters edge (as of 12/16/97) of Greens Bayou for a corner.

Thence along the following meanders of the North edge of water of Greens Bayou:

N 63 deg. 38' 00" W	56.90'
N 52 deg. 21' 47" W	125.75'
N 38 deg. 43' 37" W	71.40'
N 52 deg. 56' 19" W	92.04'
N 43 deg. 03' 34" W	115.99'
N 39 deg. 36' 40" W	163.38'
N 38 deg. 28' 29" W	171.28'
N 34 deg. 51' 02" W	107.43'
N 35 deg. 35' 40" W	384.93'
N 39 deg. 20' 10" W	81.97'
N 33 deg. 51' 50" W	215.84'

Thence N 53 deg. 27' 36" E a distance of 1130.62' to a set 1/2" I.R. for a corner.

Thence S 36 deg. 32' 24" E a distance of 20.00' to a set 1/2" I.R. for a corner.

Thence N 53 deg. 25' 39" E a distance of 731.34' to a set 1/2" I.R. for a corner.

Thence S 12 deg. 10' 43" E a distance of 260.79' along the West line of Tract "C" to a set 1/2" I.R. for a corner.

Thence N 77 deg. 49' 17" E along the South line of Tract "C" a distance of 275.92" to a set 1/2" I.R. for a corner.

516-71-3379

Containing 66.166 acres of land.

FILED
98 JAN 30 PM 4:18
County Clerk
HARRIS COUNTY, TEXAS
Bruce A. Kaufman

At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.